DEPARTMENT OF JUSTICE

QUEEN'S PRINTER REVOLVING FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2007

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of Queen's Printer Revolving Fund as at March 31, 2007 and the statements of operations and accumulated operating surplus and changes in accumulated net recovery. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 20, 2007

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2007	2006
ASSETS		
Current assets		
Cash	$ 17,971	$ 4,458
Accounts receivable (net)	77,807	74,326
Total current assets	95,778	78,784
Accumulated net recovery (Statement 3)	89,896	71,915
TOTAL ASSETS	$ 185,674	$ 150,699
LIABILITIES AND FUND EQUITY		
Current liabilities		
Accounts payable	$ 63,753	$ 78,256
Unearned revenue (Note 5)	19,052	24,997
Total current liabilities	82,805	103,253
Fund Equity		
Accumulated operating surplus (Statement 2)	102,869	47,446
TOTAL LIABILITIES AND FUND EQUITY	$ 185,674	$ 150,699

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE **Statement 2**
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
FOR THE YEAR ENDED MARCH 31

REVENUE	Budget 2007 (Note 8)	2007	2006
Sales	$ 589,000	$ 722,751	$ 643,444
Cost of Goods Sold	(228,000)	(245,819)	(236,750)
Gross Profit	361,000	476,932	406,694
EXPENSES			
Salaries	470,000	492,001	436,435
Information Technology	20,000	27,971	15,747
Telephone	10,000	10,233	9,656
Office Supplies	13,000	22,951	17,919
Renovations	-	-	19,161
Other	26,000	27,353	19,229
Total expenses	539,000	580,509	518,147
Loss from operations	(178,000)	(103,577)	(111,453)
Subsidy from General Revenue Fund	159,000	159,000	125,145
Net income (loss) after subsidy	$ (19,000)	55,423	13,692
Accumulated operating surplus - beginning of year		47,446	33,754
Accumulated operating surplus - end of year		$ 102,869	$ 47,446

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE **Statement 3**
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET RECOVERY
FOR THE YEAR ENDED MARCH 31

	2007	2006
Financing provided by operating activities:		
Net Income (Statement 2)	$ 55,423	$ 13,692
Net (increase) decrease in working capital related to operations (Note 6)	(37,442)	91,833
Net decrease in financing requirements	17,981	105,525
Accumulated net recovery (expenditure) - beginning of year	71,915	(33,610)
Accumulated net recovery - end of year	$ 89,896	$ 71,915

(see accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the revolving fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Recovery and Note 6. The following accounting policies are considered significant:

a) Net financing requirements

The net financing requirement is the cash flow to or from the General Revenue Fund. It represents the total annual financing requirements resulting from working capital changes and net cash flows from operations.

b) Accumulated net recovery

The accumulated net recovery of the fund includes the net increase (decrease) in financing requirements for each fiscal year.

c) Use of Estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual resulted could differ from those estimates. Differences are reflected in current operations when identified.

3. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of $150,000 was established by Order in Council 667/89.

4. Accumulated Operating Surplus/Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus (deficit). If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus (deficit) for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Queen's Printer Revolving Fund is $100,000.

5. Unearned Revenue

Subscriptions to *The Saskatchewan Gazette* are considered Unearned Revenue for those months that the subscription extends beyond the fiscal year.

6. Net Changes in Working Capital Related to Operations

	2007	2006
(Increase) decrease in accounts receivable	$ (3,481)	$ 84,134
Decrease in inventories	-	34,107
(Increase) decrease in cash	(13,513)	1,158
(Decrease) in accounts payable	(14,503)	(24,085)
(Decrease) in unearned revenue	(5,945)	(3,481)
Net increase (decrease) in working capital related to operations	**$ (37,442)**	**$ 91,833**

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Revolving Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to other customers.
These transactions and amounts outstanding at year-end are as follows:

	2007	2006
Sales	$ 288,035	$ 231,121
Accounts receivable (net)	59,806	48,883

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2007	2006
Expenses	$ 138,952	$ 131,152
Accounts payable	6,865	22,725

In addition, the Revolving Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, use of tangible capital assets and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

8. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

9. Financial Instruments

The Revolving Fund's financial instruments include cash, accounts receivable and accounts payable. Due to their immediate and short-term nature, the carrying value of these instruments approximates the fair value.

The fair value of the accumulated net recovery has been omitted because it is not practicable to determine the fair value with sufficient reliability.

10. Amount Reported in the Public Accounts

The net expenditure (recovery) of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund.

	2007	2006
Net income from operations	$ 55,423	$ 13,692
Decrease in inventory	-	34,107
Timing differences in recording transactions	(446)	(1,713)
Net expenditure reported in Public Accounts	**$ 54,977**	**$ 46,086**

11. Comparative Figures

For comparative purposes, certain 2006 balances have been re-classified to conform to the 2007 financial statement presentation.